

CRUSHING BLOW TO TOBACCO TRUST

The Treasury Department Forbids Sale of Cigarettes Exclusively.

MUST ALSO MAKE AFFIDAVIT NOW

Another Regulation Designed to Prevent Evasion of Taxes by Trust—Believed New Orders Will Prove Effective Against Monopoly.

BY WALTER EDWARD HARRIS.
WASHINGTON, D. C., July 25.—The revised regulations of the Treasury Department, governing the sale of tobacco, especially of cigarettes, will create a sensation when they are made public on the first of August. That the new regulations will deliver a staggering blow to the tobacco trust appears certain.

The regulations will provide that the manufacturer, when paying his tax on cigarettes, shall make affidavit that he "has not entered into and will not enter into any oral or written agreement with any person or persons or firms, by which they will have exclusive sale of such cigarettes," but that they will sell to the trade generally. Furthermore, collectors of internal revenue, under the new regulations, are directed to see that such cigarettes are not sold to any firm exclusively, and that they are not sold at a price in excess of that given in the manufacturer when the tax is paid.

It has been the practice of the trust to sell its products only to the retail dealers who would agree not to handle goods made by independent manufacturers. This has not been the universal practice, but many dealers in various cities have testified that they have been told by representatives of the tobacco trust that they would not get any trust goods if they persisted in handling the products of independent factories.

Puts End to Discrimination.
The order forbidding the sale of products under exclusive agreement with any dealer will put an end to this practice, it is thought, and it is also believed that the enforcement of the regulation will mean a heavy blow to the tobacco trust. An official of the Treasury Department stated that he regarded the new regulation as likely to prove more effective in curbing the trust than the suit instituted by the government for its dissolution.

The trust, it is alleged, has managed to evade payment of about \$4,000,000 in taxes every year through quite a simple scheme, although its application would not have been possible without the complete organization of the trade by the trust.

The tax on cigarettes costing not over \$2 a thousand, is 14 cents. The cigarettes cost a penny over \$2 a thousand, the tax is \$1.02. It is charged that the trust, when making affidavit as to cost in order to pay the tax before putting the cigarettes on the market, has frequently given the cost as being \$2 a thousand, in order to evade punishment for selling at a greater price. It is charged that the cigarettes would then be sold to a trust agency, a subsidiary of the tobacco trust, and the agency would sell the cigarettes at \$3 a thousand, or as much more as the market would bear.

Advantage to Independents.
This was not only an evasion of the law, but it placed the independent manufacturer at a great disadvantage, since he was without the means of evading the same game, having no subsidiary agency through which he could sell.

The American Tobacco Company, commonly called the tobacco trust, is founded chiefly on the cigarette trade. Of the total of 6,828,000,000 cigarettes made in this country in 1906, 4,300,000,000, or over two-thirds of the entire output, were made by the trust.

The new regulations will be issued on the first day of August. Their preparation has consumed a great deal of time. They are far more complex than any which have preceded them.

LAWLESSNESS AT PINE BEACH

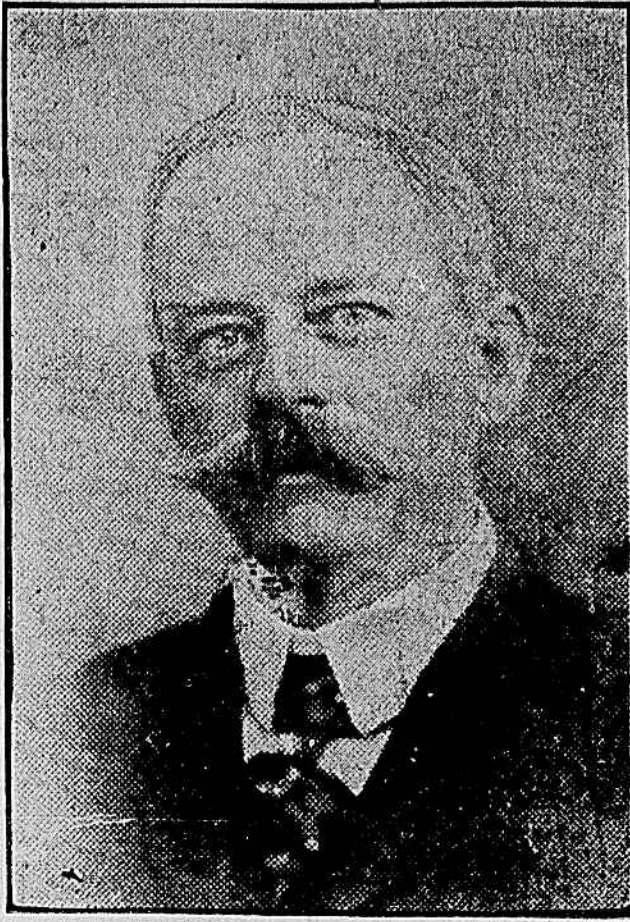
This and a Remedy Therefor Will be Discussed at Conference To-Morrow.

(Special to The Times-Dispatch.)
NORFOLK, Va., July 25.—A conference is scheduled for Saturday noon between Governor Claude A. Swanson of Virginia; Judge William M. Portlock, of the Norfolk County Circuit Court, and J. M. Barr, director-general of the Jamestown Exposition. Invited to appear at the conference is Captain Henry W. Carpenter, United States Marine Corps, commandant of the Powhatan Guard, the exposition constabulary. Pine Beach will receive the consideration of the conference. While lawlessness has been curbed to no small degree of late through the activity of the Powhatan Guard, supported by Judge Portlock's court, conditions there are not what they should be, and it is desired by the Governor and the others that the place shall not only be made perfectly orderly, but that there shall be no recurrence of the lawless conditions.

It is probable that the place for its regeneration, will be taken entirely out of the hands of Sheriff Cromwell and the county police, and placed exclusively under the jurisdiction of Capt. Carpenter. Pine Beach first became a county issue, then a State, and finally a national one, and the probabilities are that it would have been international had foreign sailors, while here, been allowed unrestricted access to the place. The rapidly with which Pine Beach gained notoriety is a marvel.

The conference will likely be held at Mr. Barr's office.

WINGFIELD CALLED BY THE GRAND JURY



C. D. WINGFIELD.

Head of the So-Called Ice Combination Spends Two Hours on Rack.

JURYMEN WON'T DISCUSS MATTER

Wingfield Says He Made a Lengthy Defense of the Operations of the Ice Companies—Grand Jury Adjourned Until Wednesday.

Mr. C. Doran Wingfield, secretary and treasurer of the Crystal Ice Company, was the solitary witness examined by the grand jury yesterday in the investigation of the so-called ice trust. He was under examination for three hours, and while there was no testimony as to the nature of his testimony, the grand jury was so thoroughly satisfied with the fact that it cannot conclude the inquiry in a day that it asked to be excused until next Wednesday morning.

There was no further excitement around the Hustings Court on Wednesday when Mr. Wingfield was summoned, and there was another flutter yesterday when he appeared, with a big bunch of papers safely tucked in the inside pocket of his summer coat. All along it has been charged that he was the "brains" of the alleged trust, and witnesses connected his name with its affairs so often that Foreman Davis decided that Wingfield was the ideal man wanted, from whom valuable information might be secured. The secretary and treasurer had smilingly remarked that he would tell everything he knew, but that the grand jury might be none the wiser when he had unfolded his tale, which would be in the shape of a general defense.

On the Rack.
The crowds lingered while Mr. Wingfield was on the rack. One or two other witnesses were waiting to be examined, and when Foreman Davis asked for a delay until next week, they were ordered to report to the jury at that time. These men, who are supposed to know a thing or two about the combination, were in the jury room, especially as the hours rolled by and Mr. Wingfield did not come from the inquisition chamber. Indeed, they hurried to other parts when Judge Witt gave them the word.

In deferring further investigation the grand jury is not acting by any desire to shirk responsibility, for on the other hand it is interpreted to mean that it is more than ever determined.

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FREER HAND FOR JAPS IN KOREA

New Treaty Will Permit Peaceful Development in the Peninsula.

TOKIO, July 25.—The manner in which the news of the convention between Japan and Korea has been generally received is indicative of satisfaction. It is felt among the well-informed in the Korean government is especially welcomed in Japan as one of the surest means of preventing the adoption of any measure hostile to Japanese or detrimental to the interests of Korea.

It is expected that the freer hand Japan is now able to exercise in Korea will soon be manifested by the peaceful development of the peninsula, and the maintenance of order in the Far East.

HAYWOOD CASE TO JURY TO-NIGHT

Darrow Makes Final Argument for Defendant, and Borah Will Close.

DEFENSE STRESSES ORCHARD

Strain of Abuse of the Chief Witness Runs Through His Speech.

BOISE, IDAHO, July 25.—The case of the State of Idaho against William D. Haywood, charged with the murder of Frank Steunenberg, a former Governor of the State, will rest with judge and jury by to-morrow night.

Clarence Darrow, after speaking for eleven hours, concluded the final plea for Haywood's life at 4:20 P. M. and at 7 o'clock this evening United States Senator Borah opened the closing argument for the prosecution. He will speak for three sessions or about seven hours. Judge Fremont Wood will instruct and charge the jury on Saturday morning.

At least 1,000 people were unable to find seats in the courtroom to-night. Two hours before the hour set for the third session of the day, crowds began to arrive, and within half an hour the doors were closed to all but court officials and newspaper men. It was an audience composed almost entirely of Boise people gathered to hear the speech of the young man who, recently elected by the people of Idaho to represent them in the United States Senate, has been the assistant counsel for the prosecution in the case against Haywood.

From the unaccustomed crowd in the courtroom and the large number of women present, the scene was much as it has been at each of the sessions during the last eleven weeks. Mrs. Steunenberg, the widow of the murdered Governor, appeared in the courtroom for the first time since the trial opened. She occupied a seat inside the railing beside her youngest son, Julian. Governor Gooding, with a number of the executive staff and a large representation of the State judiciary and bar were among the audience. Haywood was surrounded by his counsel, and his wife, in her invalid chair, was as usual by his side.

Hawley Seriously Ill.
At the prosecution's table, when Senator Borah rose to speak, were seated two associate counsel, but James H. Hawley, leading counsel for the State, was not in his place, owing to serious illness.

Attorney Darrow, in his final plea for the acquittal of William D. Haywood, confined himself more closely to a review of the evidence, but throughout the theme there continued.

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FISTICUFF PUTS END TO DEBATE

Exciting Parliamentary Battle Over Prohibition Closes in Partial Victory.

ATLANTA, GA., July 25.—Georgia's prohibition bill, now pending before the lower House, will be made the special order of business for Tuesday, July 30th, and a final vote will be taken that day. This agreement was reached in the House to-day, following the filibustering tactics of the minority, which ended at 11 o'clock last night, after nearly fourteen hours of exciting maneuvering, when adjournment was precipitated by a personal encounter between two prominent members of the House.

With a majority of nearly four-fifths favoring the bill, which has already been passed by the Senate, and with the public of the conclusion of the Dominican treaty. Similar action was taken to-day in Santo Domingo by President Caceres.

SENATOR JOHN W. DANIEL TO APPEAR FOR VIRGINIA IN RAILROAD RATE CASE

Will Come to Richmond To-Morrow for Conference.

A. C. BRAXTON REMAINS COUNSEL

He and Attorney-General Anderson So Crowded With Work That They Are Compelled to Have Another Attorney To Aid Them.

United States Senator John W. Daniel has been retained by the Commonwealth of Virginia as associate counsel with Attorney-General Anderson and Mr. Allen Caperton Braxton in the passenger rate cases. Yesterday he notified Governor Swanson at Onancock, Attorney-General Anderson and Commissioner Prentiss in Richmond that he would accept, and that he would arrive here from Washington to-morrow morning for a conference.

At the conference in the Governor's office on Monday, it was decided to ask Senator Daniel to appear in the case, the suggestion meeting the approval of General Anderson and Mr. Braxton. The fact was carefully guarded for the time.

To a representative of The Times-Dispatch, Senator Daniel made the following statement over the long distance telephone from Washington last night:

"I have no formal statement to make to the newspapers. You must ask Governor Swanson about the matter. If he is not in Richmond, you can ask Judge Prentiss, of the Corporation Commission, or Attorney-General Anderson, who know all about the matter. I must decline to say anything, and prefer that they should speak."

State Protects Itself.

"Senator Daniel has consented to be associated with Attorney-General Anderson and Mr. Braxton," said Judge Prentiss. "He will be here on Saturday."

Attorney-General Anderson made similar answer to a query, adding that he had decided long ago to protect itself.

"Mr. Braxton and myself," he said, "have a great deal of work on our hands, which must not be neglected, and we were in favor of employing additional counsel. The railroad case is a serious one to represent them, and they give their entire time to this railroad litigation."

Governor Swanson, who has been on the Eastern Shore with the fishing commission, aboard the Commodore Maury, is expected to-morrow to arrive in the Shenandoah Valley. The mode of procedure will be determined by the three eminent attorneys who will resist the attempt of the Federal court to defeat the two-cent passenger law.

The statement was reiterated yesterday that the employment of Senator Daniel has no special significance, so far as the attitude of the Commonwealth is concerned, as it was settled long ago that there would be a powerful fight to make the rate law effective. In the absence of direct information from headquarters, there has been all manner of speculation on the part of the public; but meanwhile the authorities maintained discreet and dignified silence. Governor Swanson got the clans together on Monday, and for more than two hours the question, to be boycotted by the railroad men, was fully discussed. Attorney-General Anderson, Mr. Braxton and Commissioner Prentiss and Stuart taking part. After adjournment nothing was given out to the press.

Unjust Criticism.
From high sources comes the intimation that the men designated by law to represent the State in this matter have felt keenly the criticism from certain quarters that there is no junction lay, and demanding that the injunction be obeyed. No answer to these demands have been made, nor is it likely that the commission will explain, being satisfied with the course taken so far. Generally speaking, however, the dignified policy of the commission, the lawyers and the administration, has been highly commended.

"The appointment of Senator Daniel must not be interpreted of itself to mean that the State will fight," said a man on the inside of the Capitol grounds, "reached long ago. Indeed, it might be said with equal reason that in retaining Mr. Braxton the State prepared the way for battle, but as a matter of fact the policy all along has been to make the two-cent law the law when the commission fixed it by official decree."

Argument in the Virginia rate cases was heard by Judge Pritchard in Asheville immediately after the North Carolina case had been concluded, and while the case was being argued by Judge Pritchard for the two States simultaneously, the situation in Virginia is not identical with that in North Carolina. The action of Governor Glenn has caused many persons to believe that Virginia should do likewise, and that the State should not wait for the Federal court to blow down the tree, but that it should strike the first blow.

RUNYAN, PAYING TELLER, ENTERS PLEA OF GUILTY.

NEW YORK, July 25.—Chester B. Runyan, the paying teller of the Windsor Trust Company, who recently defaulted with nearly \$100,000 of the company's funds, to-day pleaded guilty to the indictment, charging him with grand larceny, and was remanded for sentence.

Conclude Dominican Treaty.
WASHINGTON, July 25.—The President signed a proclamation to-day the public of the conclusion of the Dominican treaty. Similar action was taken to-day in Santo Domingo by President Caceres.



SENATOR JOHN W. DANIEL.

RYAN TO PENSION NELSON VETERANS

Multimillionaire Virginian Makes Notable Offer to Old Soldiers of His County.

GIVE EACH \$60 ANNUALLY

To Make No Distinctions—Outlay Will Be About \$12,000 a Year—Preparing List.

[Special to The Times-Dispatch.]
AMHERST, VA., July 25.—It is stated here on reliable authority that Mr. Thomas F. Ryan, of Nelson county, the multimillionaire, has awarded a pension of five dollars per month or sixty dollars per year, to every Confederate veteran living in Nelson county. This probably means an expenditure of \$12,000 annually, as there are probably two hundred veterans in the county. The offer of Mr. Ryan was laid before the Nelson Camp of Veterans, Monday of this week, at which time a committee was appointed to arrange the list of veterans for Mr. Ryan.

INCREASE IN MEATS LEADS TO TROUBLE

Many Disturbances and Incipient Riots in the Jewish Quarter of Philadelphia.

PHILADELPHIA, July 25.—The Jewish quarter in the southern section of the city was the scene of many disturbances and incipient riots to-day, following the efforts of Yiddish men to boycott kosher butchers who have increased the price of meats. All throughout the ghetto there were fierce outbreaks, in which persons who attempted to patronize the stores were roughly handled. In several instances the stores were sacked and the meat destroyed. The women gathered in front of the stores and seized every person who entered. The meat the customers had purchased was taken away from them and tossed in the street, after which all or acid had been poured over it. In three shops oil was poured over every piece of meat, the chopping blocks and counters were overturned, and the windows in the stores were demolished.

The police of three districts were kept on the run, answering riot calls and reserve squads had to be sent to their assistance.

As a result of the outbreaks twenty-eight men and women were either sent to prison or held in bail for court to answer charges of assault, rioting, and other charges, and as many more were arrested and locked up for hearing to-morrow on minor charges.

HENRY H. ROGERS ILL AT HIS DESK

[Special to The Times-Dispatch.]
NEW YORK, July 25.—Friends of H. H. Rogers, the Standard Oil's active head, were concerned and surprised to-day to learn for the first time that he was seriously ill. Mr. Rogers was suddenly stricken at his desk last Monday, and had to be assisted from his office. Since then he has been under the care of physicians at his beautiful country home in Fair Haven. It was reported to-night that Mr. Rogers was out of danger and was improving fast, but his physicians have enjoined relaxation from business. His illness was due, it is said, to a heat stroke, and his health has been poor for some time past, and it was in defiance of physicians' warnings that he had been carrying practically alone the entire burden of the Standard Oil executive work. So serious was his condition that it was feared that it was necessary to administer oxygen to him. His heart action was alarmingly weak, and his trip to Fair Haven was a period of anxiety for his attendants.

RESIDENT GENERAL HAS LARGE POWERS

Announcement of Japanese-Korean Pact Caused Excitement at Seoul.

EMPEROR AGAIN ABDICATES

Entire Peninsula Swept by a Wave of Unprecedented Excitement.

SEOUL, July 25.—The Queen antihill has been stirred to the very cellar by the former Emperor's second pledge of abdication. A wave of great excitement crept over the whole peninsula to-day when the new agreement with Japan was announced and the Emperor's proclamation published in the provinces.

All the privileged old ladies attached to the court arrived in crowds at the palace, condoling, weeping, wailing, and incidentally carrying away in their customary loose clothing everything detachable and portable. The palace was looted of all possible souvenirs.

The ex-emperor wept, saying that his efforts for many years had been a mistake, and that he should himself have taken the proposed course. He was then unable to continue his speech.

Knowing that the affairs of state had passed to a new administration, he commended to the Cabinet's benign care his son, the new Emperor.

Viscount Hayashi Sumus Up.
Viscount Hayashi, the Japanese Minister of Foreign Affairs, received the Associated Press correspondent to-day, and in an interview on the Korean situation, he said that the new agreement contained Japan's whole program in Korea. His mission accomplished, he said he would return to Japan on the first ship from Chemulpo; that matters now devolve on Marquis Ito, who was more than a premier, and whose responsibility had more than doubled, adding that Japan's responsibilities in Korea were now enormous. Continuing, Count Hayashi said the new agreement were not anticipated in the pro-temperate agreement of 1905, and completely changed the character of the Japanese administration of the peninsula.

In regard to the feeling in Japan about the new convention, the people expressed the opinion that the agreement ought to satisfy all reasonable Japanese, as it ends a long impossible situation. The former

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TRIAL COMES TO ABRUPT END

Jury Returns Verdict of Not Guilty in Zeke Lewis Case.

Judge Dismisses Them.

CHARLOTTE, N. C., July 25.—The efforts of the State of North Carolina to bring to justice the twenty-eight citizens of Anson county, who took J. Zeke Lewis, a prominent citizen, and lynched him, May 20, 1906, and lynched him, came to an abrupt termination to-day when the jury in the case of Zeke Lewis, charged with the murder of Zeke Lewis, returned a verdict of not guilty. The jury was out an hour and three-quarters, and when the verdict was announced, Judge Peebles, who has been presiding at Union County Superior Court, formally discharged the jurors and stated that he would not go into the trial of another one of the men indicted, there being too much feeling in both the State and Anson counties in favor of the defendants to hope for a conviction. He urged Solicitor Robinson to move for a removal of the cases to some other county. The other eighteen defendants were required to give bonds of \$5,000 each for their appearance at the January term of Union county court.

ONLY BACKDOWN BY RAILROADS CAN NOW WARD OFF CLASH

Governor Glenn Issues a Formal Ultimatum to Litigants.

LEGISLATURE WILL BE CONVENED

Executive Thinks This is Now Inevitable—Will Do Nothing Undignified or Rash, But Will Maintain State's Constitution—Conference Ineffective.

[Special to The Times-Dispatch.]
RALEIGH, N. C., July 25.—Governor Glenn announces that the State has, after a conference with Assistant United States Attorney-General Sanford regarding the railroad passenger rate litigation, decided to accede to the proposition made by Mr. Sanford for securing a speedy settlement of the case and averting further clash between the State and the Federal courts, except that the State insists that pending this adjudication per agreement the 21-cent rate must go into effect on all roads liable to it, including the Southern and Atlantic Coast Line, now claimed to be protected by injunction from Judge Pritchard.

This position of the State authorities has been telegraphed to Judge Pritchard, the Southern Railway authorities and the Department of Justice at Washington, and thus the matter stands, the answer being expected to-morrow.

GOVERNOR GLENN MAKES FINAL PROPOSITION.
The ultimatum by the Governor follows:

"I cannot accept Mr. Sanford's proposition. It annuls the State's statute by suspending the rate. Section 9, Article 1, of the Constitution of North Carolina, provides: 'All power of suspending laws or the execution of laws by any person or persons is hereby declared to be and shall remain in the representatives of the people in the State, and ought not to be exercised.'"

"I suggest the following as a basis of settlement: 'First. Let the railroad put the two and a quarter cent rate into immediate effect, pending final determination of the legal questions involved. 'Second. The State to appeal from the order of Judge Pritchard, discharging parties in Asheville on writ of habeas corpus. 'Third. The Southern Railway to appeal to the Supreme Court of North Carolina, in the Wake county case, and if the case is there decided against it, to take the case by writ of error to the Supreme Court of the United States. 'Fourth. Both sides co-operate to have both the said cases advanced and argued together and speedily determined. 'Fifth. The State, at its option, to indict the Atlantic Coast Line in one case. 'Sixth. All other indictments to be stopped, pending final determination of the legal questions involved. 'Seventh. The Governor to advise all people against bringing any penalty suits pending final determination of the question involved, and to ask the people as a whole to acquiesce in this arrangement. 'Eighth. The suit pending before Judge Pritchard to be diligently prosecuted, without the State, however, waiving any question of jurisdiction. (Signed) 'R. B. GLENN.'"

CONFERENCE WITH SANFORD ACCOMPLISHES LITTLE.
After announcing the counter proposition on ultimatum Governor Glenn gave an interview to the Associated Press, in which he said that his conference with Assistant Attorney-General Sanford, after all, practically amounted to nothing; that Sanford suggested that the Governor confer with the officials of the railroad, expressing the opinion that those officials would be glad to confer with him if he desired it. The Governor's reply was that he would be glad to confer with the railroad officials, but this would be useless unless the companies would agree to put in operation the 21-cent passenger rate pending the adjudication of the cases pending as stipulated in this ultimatum.

The Governor declared that in the event as he expressed it, the railroad companies would agree to put in operation the 21-cent passenger rate pending the adjudication of the cases pending as stipulated in this ultimatum. The Governor declared that in the event as he expressed it, the railroad companies would agree to put in operation the 21-cent passenger rate pending the adjudication of the cases pending as stipulated in this ultimatum.

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